

Message Text

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ORIGIN ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIE-00 INRE-00 SSO-00 NSCE-00 IGA-02 AID-20 OMB-01

MC-02 TRSE-00 COA-02 EB-11 COME-00 /121 R

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DOD/JASD/ISA: AMB. CORRIGAN

S/S: WHLUERS

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TO AMEMBASSY QUITO IMMEDIATE

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C O N F I D E N T I A L STATE 016329

EO11652 GDS

TAGS: MASS, EC, US

SUBJ: WAIVER OF FMS SUSPENSION FOR ECUADOR

1. PRESEIDENT ON JANUARY 21 SIGNED PRESIDENTIAL

DETERMINATION NO. 74-13 WAIVING APPLICATION TO ECUADOR

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OF SECTION 3(B) OF FOREIGN MILITARY SALES ACT ON

GROUND'S OF IMPORTANCE TO US SECURITY. TEXT OF DETERMINATION BEING POUCHED.

2. PRESIDENT'S ACTION REMOVES EXISTING LEGAL BAR TO FOREIGN MILITARY SALES TRANSACTIONS. WE ARE NOW PREPARED TO CONSIDER RESUMPTION OF MILITARY SALES TO ECUADOR AS WELL AS REESTABLISHMENT OF MILITARY TRAINING FOR ECUADORIAN ARMED FORCES. PENDING SETTLEMENT OF ARREARAGES FROM GOE CREDIT AND CASH PURCHASES OF MILITARY EQUIPMENT IN 1968, EQUIPMENT AS WELL AS TRAINING WILL BE FURNISHED ONLY THROUGH FMS PROGRAM ON CASH-IN-ADVANCE BASIS.

3. SPECIFICALLY, WE ARE PREPARED TO:

(A) AUTHORIZE SUPPLY OF THE FOLLOWING EQUIPMENT, IN WHICH GOE HAS ALREADY EXPRESSED INTEREST:

- (1) F-5 AND SF-5B AIRCRAFT.
- (2) T-33 AIRCRAFT

(B) ENTERTAIN REQUESTS FROM GOE FOR PURCHASE OF OTHER MILITARY EQUIPMENT WHICH IT MAY DESIRE. (WE ARE POUCHING LIST OF GOE EQUIPMENT INQUIRIES RECEIVED SINCE 1971).

(C) PROVIDE MILITARY TRAINING ON CASH-IN-ADVANCE BASIS IN CANAL ZONE OR CONTINENTAL U.S. FYI GRANT MILITARY TRAINING, EXCEPT FOR TRAINING PERFORMED IN CONTINENTAL US, IS SUBJECT TO STATUTORY CEILING LIMITING GRANT MILITARY ASSISTANCE TO MAXIMUM OF 31 COUNTRIES. THE 31-COUNTRY CEILING IS CURRENTLY FULLY SUBSCRIBED, ALTHOUGH WE ARE STUDYING POSSIBILITY OF INCLUDING ECUADOR IN GRANT PROGRAM IN FY75. IT SHOULD BE NOTED THAT DEPENDING ON AVAILABILITY OF FUNDS GRANT TRAINING FOR ECUADOR IN US COULD BE RESUMED ONCE ARREARAGE PROBLEM IS RESOLVED. END FYI.

4. FYI SHOULD ARREARAGE PROBLEM BE QUICKLY RESOLVED, IT IS POSSIBLE WE MAY BE ABLE TO OFFER LIMITED FY74 FMS
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CREDIT FOR ECUADOREAN EQUIPMENT PURCHASES. CONSIDERATION WILL BE GIVEN TO INCLUDING CREDIT FOR ECUADOR IN FY75 FMS BUDGET REQUEST TO BE PREPARED SHORTLY. HOWEVER, NO ASSURANCE RE CREDIT AVAILABILITY CAN BE OFFERED AT THIS TIME. CREDIT FOR PURCHASE OF SOPHISTICATED WEAPONS SUCH AS F-5 WOULD REQUIRE FURTHER PRESIDENTIAL WAIVER UNDER SECTION 4 OF FMS ACT. END FYI.

5. ARREARAGES REFERRED TO IN PARA 2 ARE AS FOLLOWS
(DETAILED STATEMENT BEING POUCHED).

(A) DOLS 710,317.76 IN PRINCIPAL AND INTEREST AS OF
OCTOBER 1, 1973 FOR 20 ARMORED PERSONNEL CARRIERS WITH
SPARE PARTS AND AMMUNITION PURCHASED UNDER CREDIT
AGREEMENT CONCLUDED APRIL 1, 1968. DEBT WILL CONTINUE
TO INCREASE AS ADDITIONAL SEMI-ANNUAL PRINCIPAL AND
INTEREST INSTALLMENTS BECOME DUE.

(B) DOLS 325,792.80, REPRESENTING THE BALANCE DUE ON
PURCHASE OF 105 MM AMMUNITION UNDER CONTRACT SIGNED
APRIL 15, 1968.

6. FYI WE ARE CONSIDERING WHAT TYPE OF IN-COUNTRY
MILITARY REPRESENTATION (SUCH AS MAAG OR MILGP) WOULD
BE APPROPRIATE AT SUCH TIME AS WE CAN PROVIDE TRAINING
AND EQUIPMENT ON OTHER THAN CASH-IN-ADVANCE BASIS.
THIS WILL BE SUBJECT OF LATER MESSAGE. END FYI.

7. TO OBTAIN MAXIMUM POLITICAL BENEFIT FROM WAIVER, WE
BELIEVE PRESIDENT'S DECISION AND INFORMATION REGARDING
POSSIBLE MILITARY SALES AND TRAINING SHOULD BE
COMMUNICATED DIRECTLY TO PRESIDENT RODRIGUEZ AND ARE
PROVIDING SCENARIO AND INSTRUCTIONS SEPTTEL.
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Message Attributes

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